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SUBJECT: GOVERNMENT TRUMPETS ACHIEVEMENTS OF PRIME
MINISTER'S INDIA VISIT WHILE OPPOSITION CLAIMS SELLOUT

REF: DHAKA 27

Classified By: Ambassador James F. Moriarty for reasons 1.4 (b) and (d)

SUMMARY

¶1. (C) Since her return from a state visit to India on January 13, 2010, Prime Minister Sheikh Hasina and her Government have trumpeted the trip as an unbridled success which will produce tangible benefits for both Bangladesh and the region. For her part, opposition leader Khaleda Zia has characterized the trip as a complete failure that caused great harm for Bangladesh. On balance, Bangladesh made out well during the India trip, with solid accomplishments in improving ties between the two countries. Improved Indo-Bangladesh relations auger well for regional stability and growth. Rapid implementation of the agreements would help the government resist criticism from the opposition and other skeptics.

PM,s INDIA VISIT BOOSTS COUNTER TERROR, ECONOMIC TIES

¶2. (SBU) As previewed to us by her advisors (reftel), Prime Minister Hasina's meetings in New Delhi produced a number of concrete results which were captured in the joint communiqu issued at the end of the visit. These include frameworks for cooperating in water resources, power, transportation and connectivity, tourism, and education. The two Prime Ministers underscored their commitment to working closer together in combating terrorism. They also agreed to convene the Joint Boundary Working Group to resolve remaining issues with their border (some of these disputes date back to 1947). Separately, the two sides agreed to talks on demarcating maritime boundaries. Bangladesh granted India, Nepal, and Bhutan access to the ports of Mongla and Chittagong and the use of road and rail networks to get goods to and from the ports. India also announced a \$1 billion line of credit for Bangladesh to be used for infrastructure improvements largely related to connectivity.

CULTURAL BONDS STRENGTHENED

¶3. (SBU) India also agreed to fund 300 scholarships for Bangladeshi academics to study in India. They both also agreed to leverage the linguistic heritage Bangladesh shares with the Indian state of West Bengal and work together to celebrate, in 2011, the 150th anniversary of the birth of Nobel laureate author Rabindranath Tagore; both India and Bangladesh adopted Tagore songs as their national anthems. (NOTE: The United States Government has often touted these cross-border commonalities as a foundation from which to combat violent extremism, and 2012 marks the 100th anniversary of Tagore's first visit to the United States,

providing us an excellent avenue to participate in these celebrations. END NOTE.)

DOMESTIC REACTION LARGELY POSITIVE

¶4. (C) Reactions to Hasina's India visit have dominated the headlines since the Prime Minister's return. Hasina and opposition Bangladesh Nationalist Party leader Zia each called press conferences to put forward their assessments of the visit. Senior government and ruling party officials have effusively praised the agreements in public, both for their tangible results as well as Hasina's statesmanship. Privately, Awami League supporters have been equally upbeat. Saber Hossain Chowdhury, Awami League Member of Parliament, commented that after the visit, Bangladesh would no longer be a playground for India's security services but instead a partner, albeit junior, of New Delhi.

RESETTING NEIGHBORLY RELATIONS

¶5. (C) Local academics and think-tank experts, while not as effusive in praise, have also expressed optimism about the trip. Farooq Sobhan, former Bangladesh Foreign Secretary and President of the Bangladesh Enterprise Institute, said the agreements showed there had been a sea-change in India regarding how it viewed Bangladesh. This was essential for Bangladesh. Sobhan did not envision large amounts of Foreign Direct Investment coming to Bangladesh from distant Japan or the United States; he said it must come from neighboring India, and these agreements paved the way. At the same time,

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Sobhan and other interlocutors, including Hasina's advisor Gowher Rizvi, understand the importance of implementation. With this in mind, India and Bangladesh have both reportedly decided to appoint high-level Special Envoys to coordinate Indo-Bangladesh issues and oversee implementation of the agreements.

IMPLEMENTATION KEY

¶6. (SBU) The Indian High Commission in Dhaka has expressed satisfaction with the visit, but also understands that implementation is the key. The newly arrived Indian High Commissioner and his team will keep the pressure on Bangladeshi counterparts to follow up quickly on the visit. To this end, this week, India will send a team to Bangladesh to study some of the waterways issues raised during the visit. In addition, India's Power Secretary will visit in the upcoming weeks, and Bangladesh's Minister of Agriculture will travel to India to explore opportunities for joint agricultural research.

OPPOSITION TURNS UP THE HEAT

¶7. (C) The opposition Bangladesh Nationalist Party has been vociferous in its condemnation of Hasina's visit and the agreements. In a press conference on January 17, Khaleda Zia said that Hasina "sold" Bangladesh to India and the agreements were a "bond of slavery." This reference to the Government of Bangladesh's agreement to open Bangladesh's roads and ports to India was meant to tap into deep suspicions of India among Bangladeshis, a long-established wellspring of emotions and votes in Bangladesh. Former Bangladesh Nationalist Party Minister and current Standing Committee member Hafiz Uddin Ahmed told PolOff that if the government went ahead with the plans for the roads and ports, his party would not even need to campaign for the next election -- the people would distrust the Awami League so much, the Bangladesh Nationalist party would easily win.

COMMENT

¶ 8. (C) In recent months, Indo-Bangladesh relations have dominated Dhaka's foreign policy agenda. The Prime Minister returned to Bangladesh with agreements that exceeded expectations in enhancing mutually beneficial security and economic ties between Bangladesh and India. The cordial visit itself and implementation of the much-heralded deliverables should enhance regional stability and prosperity in line with U.S. interests. While polls show strong majorities in Bangladesh in favor of better ties with India, the success of the Bangladesh Nationalist Party's efforts to undermine the deal may hinge on the speed with which the government is able to implement this ambitious agreement. We intend to take advantage of upcoming senior U.S. official visits to Bangladesh to underscore U.S. Government support for improved Indo-Bangladesh relations.

MORIARTY